

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

CAMTEK LTD.

(Exact name of Registrant as specified in its charter)

Israel

(State or other jurisdiction
of incorporation or organization)

Not Applicable

(IRS Employer Identification No.)

Ramat Gavriel Industrial Zone
P.O. Box 544
Migdal Ha'Emek 23150, Israel
(972) 4-604-8100

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Camtek Ltd. 2018 Share Incentive Plan
(Full title of the Plan)

Camtek USA, Inc.
48389 Fremont Blvd., Ste. 112
Fremont, CA 94538

(Name and address of agent for service)

(510) 624-9905

(Telephone number, including area code, of agent for service)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated Filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

Copies of all communications, including all communications sent to the agent for service, should be sent to:

Richard H. Gilden
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Tel: 212-715-9486
Fax: 212-715-8085

Maya Mali, Adv.
Shibolet & Co.
Museum Tower, 4 Berkowitz Street,
Tel-Aviv 64238, Israel
Tel: + 972-3-777-8333
Fax: + 972-3-777-8444

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be registered ⁽¹⁾	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration fee ⁽⁴⁾
Ordinary Shares, nominal (par) value NIS 0.01 per share ("Ordinary Shares")	1,500,000 shares ⁽²⁾	\$ 7.39 ⁽³⁾	\$ 11,085,000 ⁽³⁾	\$ 1,343.50

(1) Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), this Registration Statement shall also cover any additional Ordinary Shares that may become issuable under the 2018 Plan, by reason of any share dividend, share split, recapitalization or other similar transaction effected without the Registrant's receipt of consideration that increases the number of Ordinary Shares of the Registrant.

(2) Representing 1,500,000 Ordinary Shares issuable under the Camtek Ltd. 2018 Share Incentive Plan, including its sub-plans (the "2018 Plan").

(3) Pursuant to Rule 457(c) and 457(h) of the Securities Act, the proposed maximum offering price per share and the proposed maximum aggregate offering price are based on the average of the high and low sale prices per share of the Ordinary Shares of the Registrant as reported by the NASDAQ Global Market on October 15, 2018, which is within five (5) business days prior to the date of this Registration Statement.

PART II

Information Required in the Registration Statement

Item 3. Incorporation of Documents by Reference

The Registrant hereby incorporates by reference in this Registration Statement the following documents:

- (a) The Registrant's Annual Report on Form 20-F for the fiscal year ended December 31, 2017 filed with the Commission on March 15, 2018;
- (b) The Registrant's Reports of Foreign Issuer on Form 6-K, as filed with the Commission on January 4, 2018, January 9, 2018, January 16, 2018, January 30, 2018, February 7, 2018, March 14, 2018, March 30, 2018, April 23, 2018, May 2, 2018, May 3, 2018, May 31, 2018, June 12, 2018, June 19, 2018, June 19, 2018, July 31, 2018, August 16, 2018, August 30, 2018, September 13, 2018, September 21, 2018, September 25, 2018, October 3, 2018 and October 4, 2018;
- (c) The Registrant's Reports of Foreign Issuer on Form 6-K/A, as filed with the Commission on May 4, 2018, May 22, 2018, May 24, 2018, June 4, 2018 and September 10, 2018; and
- (d) The description of the Registrant's Ordinary Shares contained in the Registrant's Registration Statement on Form 8-A filed with the Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on July 21, 2000.

All documents subsequently filed by the Registrant with the Commission pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold, and all Reports of Foreign Issuer on Form 6-K submitted by the Registrant to the Commission during such period, or portions thereof that are identified in such forms as being incorporated into this Registration Statement, shall be deemed to be incorporated by reference in this Registration Statement and to be part hereof from the date of filing of such documents. Any document, or any statement contained in a document, incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a document or statement contained herein, or in any other subsequently filed document that also is deemed to be incorporated by reference herein, modifies or supersedes such document or statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement. Subject to the foregoing, all information appearing in this Registration Statement is qualified in its entirety by the information appearing in the documents incorporated by reference.

Item 4. Description of Securities

Not Applicable.

Item 5. Interests of Named Experts and Counsel

Not Applicable.

Item 6. Indemnification of Directors and Officers

The Registrant's Articles provide that, subject to the provisions of the Israeli Companies Law, the Registrant may:

- (1) Obtain insurance for its office holders covering liability for any act performed in their respective capacities as an office holder with respect to:

A violation of the duty care to the Registrant or to another person;

A breach of fiduciary duty, provided that the office holder acted in good faith and had reasonable grounds to assume that the act would not cause the Registrant harm; and

A monetary liability imposed on an officer holder for the benefit of another person.

- (2) Undertake to indemnify its officer holders, or indemnify an office holder retroactively for a liability imposed or approved by a court and for reasonable legal fees incurred by the office holder in his or her capacity as an office holder, in proceedings instituted against the office holder by the Registrant, on its behalf or by a third party, in connection with criminal proceedings in which the office holder was acquitted, or as a result of a conviction for a crime that does not require proof of criminal intent. An advance undertaking to indemnify an office holder must be limited to categories of events that can be reasonably foreseen, and to an amount which is reasonable under the circumstances, as determined by the board of directors.

The Registrant may exempt, in advance, an office holder from all or part of his or her responsibility for damages occurring as a result of a breach of his or her duty of care. The Registrant may also approve an action taken by the office holder, even if performed in breach of his or her fiduciary duty, if the office holder was acting in good faith, the action does not adversely affect the Registrant and the office holder has revealed to the Registrant's board his or her personal interest in the action.

Notwithstanding the foregoing, the Registrant may not insure, indemnify or exempt an office holder for any breach of his or her fiduciary duty, or for a violation of his or her duty of care (1) if the act was committed recklessly or with intent, (2) if the act was committed with the intent to realize improper personal gain, or (3) for any fine imposed on the office holder, except as provided above.

As required under Israeli law, the Registrant's Audit Committee, board of directors and shareholders have approved the indemnification and insurance of our office holders, as well as the resolutions necessary both to exempt its office holders in advance from any liability for damages arising from a breach of their duty of care to the Registrant, and to provide them with the indemnification undertakings and insurance coverage they have received from the Registrant in accordance with the Registrant's Articles.

Item 8 Exemption from Registration Claimed

None

Item 8. Exhibits

The following is a list of exhibits filed as part of this Registration Statement and incorporated herein:

<u>Exhibit Number</u>	<u>Description</u>
4.1	Memorandum of Association of Registrant (incorporated herein by reference to Exhibit 3.1 to Amendment No. 1 to the Registrant's Registration Statement on Form F-1, File No. 333-12292, filed with the Securities and Exchange Commission on July 21, 2000).
4.2	Articles of Registrant, as amended October 24, 2011 (incorporated herein by reference to Exhibit A to the Registrant's Registration Statement on Form 6-K, File No. 000-30664, filed with the Securities and Exchange Commission on September 27, 2011), \ November 3, 2016 (incorporated herein by reference to Exhibit B to the Registrant's Registration Statement on Form 6-K, File No. 000-30664, filed with the Securities and Exchange Commission on September 29, 2016) and June 7, 2018 (incorporated herein by reference to Exhibit C to the Registrant's Registration Statement on Form 6-K/A, File No. 000-30664, filed with the Securities and Exchange Commission on May 24, 2018).
4.3	Camtek Ltd. 2018 Share Incentive Plan
5.1	Opinion of Shibolet & Co.
23.1	Consent of Somekh Chaikin, Independent Registered Public Accounting Firm, a member firm of KPMG International.
23.2	Consent of Shibolet & Co. (included in Exhibit 5.1).
24.1	Power of Attorney (included in the signature page to this Registration Statement).

Item 9. Undertakings

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- (ii) to reflect in the prospectus of any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
- (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed by the Registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment of any of the securities being registered which remain unsold at the termination of the offering.

(4) If the registration is a foreign private issuer, to file a post-effective amendment to the registration statement to include any financial statements required by §210.3-19 of this chapter at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Act need not be furnished, *provided* that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3 (§239.33 of this chapter), a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Act or § 210.3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.

- (b) The undersigned Registrant hereby undertakes that for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (h) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person of the Registrant in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.]
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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Migdal Ha'Emek, Israel, on this 22 day of October, 2018.

CAMTEK LTD.

By: /s/ Moty Ben-Arie

Moty Ben-Arie

Chairman of the Board of Directors

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Rafi Amit and Moshe Eisenberg, and each of them acting alone, his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution in each of them acting alone, for him and in his name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement of Camtek Ltd., and to file the same, with all exhibits thereto and other documents in connection therewith, with the Commission, granting to the attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any or each of them or their substitute may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Rafi Amit</u> Rafi Amit	Chief Executive Officer and Director (Principal Executive Officer)	October 22, 2018
<u>/s/ Moshe Eisenberg</u> Moshe Eisenberg	Chief Financial Officer (Principal Account Officer)	October 22, 2018
<u>/s/ Moty Ben-Arie</u> Moty Ben-Arie	Chairman of the Board of Directors	October 22, 2018
<u>/s/ Yotam Stern</u> Yotam Stern	Director	October 22, 2018
<u>/s/ Yael Andorn</u> Yael Andorn	Director	October 22, 2018
<u>/s/ Yosi Shacham-Diamand</u> Yosi Shacham-Diamand	Director	October 22, 2018
<u>/s/ Eran Bendoly</u> Eran Bendoly	Director	October 22, 2018
<u>/s/ Chezy Ofir</u> Chezy Ofir	Director	October 22, 2018
AUTHORIZED REPRESENTATIVE IN THE UNITED STATES Camtek USA, Inc. 2000 Wyatt Dr. Santa Clara, CA 95054		
<u>/s/ Rafi Amit</u> Rafi Amit	Chief Executive Officer and Director	October 22, 2018

INDEX TO EXHIBITS

The following is a list of exhibits filed as part of this Registration Statement:

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<u>4.2</u>	<u>Articles of Registrant, as amended October 24, 2011 (incorporated herein by reference to Exhibit A to the Registrant's Registration Statement on Form 6-K, File No. 000-30664, filed with the Securities and Exchange Commission on September 27, 2011), \ November 3, 2016 (incorporated herein by reference to Exhibit B to the Registrant's Registration Statement on Form 6-K, File No. 000-30664, filed with the Securities and Exchange Commission on September 29, 2016) and June 7, 2018 (incorporated herein by reference to Exhibit C to the Registrant's Registration Statement on Form 6-K/A, File No. 000-30664, filed with the Securities and Exchange Commission on May 24, 2018).</u>
<u>4.3</u>	<u>Camtek Ltd. 2018 Share Incentive Plan</u>
<u>5.1</u>	<u>Opinion of Shibolet & Co.</u>
<u>23.1</u>	<u>Consent of Somekh Chaikin, Independent Registered Public Accounting Firm, a member firm of KPMG International.</u>
<u>23.2</u>	<u>Consent of Shibolet & Co. (included in Exhibit 5.1).</u>
<u>24.1</u>	<u>Power of Attorney (included in the signature pages to this Registration Statement).</u>

CAMTEK LTD.
2018 SHARE INCENTIVE PLAN

1. **Definitions**

In this Plan, the capitalized terms shall have the meanings set forth in Annex A hereto, unless the context clearly indicates to the contrary.

2. **The Plan**

2.1 **Purpose**

The purpose and intent of the Plan is to advance the interests of the Company by affording to selected employees, officers, directors, consultants and other services providers of the Company or any Affiliated Company an opportunity to acquire a proprietary interest in the Company or to increase their proprietary interest therein, as applicable, by the grant in their favor Options, Restricted Share, Restricted Share Units and Performance Based Awards, thus providing such Grantee an additional incentive to become, and to remain, employed and/or engaged by the Company or Affiliated Company, as the case may be, and encouraging such Grantee's sense of proprietorship and stimulating his or her active interest in the success of the Company and the Affiliated Company by which such Grantee is employed or engaged.

2.2 **Effective Date and Term**

The Plan shall become effective as of the day it was adopted by the Board, and shall remain in effect until the earlier of (i) its termination by the Administrator; or (ii) the lapse of 10 years from the date the Plan is adopted by the Board.

3. **Administration**

3.1 This Plan and any Sub-Plans shall be administered by the Administrator, subject to applicable Law and without the need for shareholder approval unless so required in order to comply with the provisions of applicable Mandatory Law.

3.2 Unless specifically required otherwise under applicable Mandatory Law, the Administrator shall have sole and full discretion and authority, without the need to submit its determinations or actions to the shareholders of the Company for their approval or authorization, at any time and from time to time, to determine: (i) the designation of Grantees; (ii) grant of Awards and the determination of the terms of each grant of Awards (which need not be identical), including without limitation the number of Awards to be granted in favor of each Grantee and the vesting schedule and the Exercise Price thereof, as applicable, and the documents to be executed by the Grantee; (iii) the determination of the applicable tax regimes to which the Awards will be subject; (iv) the determination of the terms and form of the Award Agreement (which need not be identical), whether a general form or a specific form with respect to a certain Grantee and any other agreements or instruments under which Awards are made; (v) the modification or amendment of the Exercise Period, vesting schedules (including by way of acceleration and/or performance criteria) and/or of the Exercise Price of Awards, including without limitation the reduction thereof and either prior to or following their grant; the repricing of Awards or any other action which is or may be treated as repricing under generally accepted accounting principles; the grant to the holder of an outstanding Awards, in exchange for such Award, of a new Award having a purchase price equal to, lower than or higher than the Exercise Price provided in the Award so surrendered and canceled, and containing such other terms and conditions as the Administrator may prescribe; (vi) any other action and/or determination deemed by the Administrator to be required or advisable for the administration of the Plan and/or any Sub-Plan or Award Agreement; (vii) the interpretation of the Plan, any Sub-Plans, and the Award Agreements; (viii) the adoption of Sub-Plans, including without limitation the determination, if the Administrator sees fit to so determine, that to the extent any terms of such Sub-Plan are inconsistent with the terms of this Plan, the terms of such Sub-Plan shall prevail; (ix) the extension of the period of the Plan or any Sub-Plans; and (x) any other matter which is necessary or desirable for, or incidental to, the administration of the Plan.

- 3.3 The Administrator may, without shareholder approval, amend, modify (including by adding new terms and rules), and/or cancel or terminate this Plan, any Sub-Plans, and any Awards granted under this Plan or any Sub-Plans, any of their terms, and/or any rules, guidelines or policies relating thereto. Notwithstanding the foregoing, (i) material amendments to the Plan or any Sub-Plans (but not the exercise of discretion under the Plan or any Sub-Plans) shall be subject to shareholder approval to the extent so required by applicable Mandatory Law; and (ii) no termination or amendment of the Plan or any Sub-Plan shall affect any then outstanding Awards nor the Administrator's ability to exercise its powers with respect to such outstanding Awards granted prior to the date of such termination, unless expressly provided by the Administrator.
- 3.4 Unless otherwise determined by the Administrator, any amendment or modification of this Plan and/or any applicable Sub-Plan and/or Award Agreement shall apply to the relationship between the Grantee and the Company; and such amendment or modification shall be deemed to have been included, *ab initio*, in the Plan and any such applicable Sub-Plan and/or Award Agreement, and shall have full force and effect with respect to the relationship between the Company and the Grantee.
- 3.5 Notwithstanding anything to the contrary herein, any Award granted under the Plan to an Office Holder shall be subject to the terms of the Company's Executives and Directors Compensation Policy, unless otherwise determined by the Administrator and approved in accordance with the provisions of the Companies Law.
4. **Eligibility**
The persons eligible for participation in the Plan as Grantees include employees, officers, directors, consultants, and other service providers of the Company or any Affiliated Company (including persons who are responsible for or contribute to the management, growth or profitability of, or who provide substantial services to, the Company and/or any Affiliated Company). The Administrator, in its sole discretion shall select from time to time the individuals, from among the persons eligible to participate in the Plan, who shall receive Awards. In determining the persons in favor of whom Awards are to be granted, the number of Awards to be granted thereto and the terms of such grants, the Administrator may take into account the nature of the services rendered by such person, his/her present and future potential contribution to the Company and/or to the Affiliated Company by which he/she is employed or engaged, and such other factors as the Administrator in its discretion shall deem relevant.
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5. **Pool**

The maximum number of Shares that may be subject to Awards to be granted pursuant to this Plan shall be an amount per calendar year, commencing on the 2018 calendar year, equal to three and a half percent (3.5%) of the Company's total issued and outstanding Share capital as of the 31st of December of the preceding calendar year, subject to adjustments as provided in Section 15 below. The amount stated above shall be re-set for each calendar year. It is clarified, that any balance of such amount not utilized in a certain calendar year cannot be utilized in any following calendar year.

Notwithstanding the above, for the 2018 calendar year the aforementioned amount will be reduced by the number of Shares subject to Awards granted by the Company during the 2018 calendar year under the "Camtek Ltd. 2007 Restricted Share Unit Plan" and the "Camtek 2014 Share Option Plan".

Notwithstanding the above, equity-based awards assumed, substituted or granted by the Company as part of or in connection with a corporate transaction (including, without limitation, awards assumed or substituted from an entity merged into or with the Company or any of its Affiliated Companies, acquired by the Company or any of its Affiliated Companies, or otherwise involved in a similar corporate transaction) shall not count against the number of shares reserved and available for issuance pursuant to the Plan.

The Company shall at all times until the expiration or termination of this Plan keep reserved a sufficient number of Shares to meet the requirements of this Plan. Any of such Shares which, as of the expiration or termination of this Plan, remain unissued and not subject to outstanding Awards, shall at such time cease to be reserved for the purposes of this Plan. Should any Awards for any reason expire, terminate or be canceled prior to its exercise, issuance of its underlying Shares or relinquishment in full, such Award may be returned to the reserved pool and may again be granted under this Plan.

6. **Grant of Awards**

6.1 Unless determined otherwise herein, the Awards shall be granted for no consideration.

6.2 Each Award granted pursuant to this Plan shall be evidenced by an applicable Award Agreement which shall state, *inter alia*, the type and number of Award, the vesting schedule, any restrictions if applicable, the Exercise Price, the tax treatment to which the Award is subject and such other terms and conditions as the Administrator in its discretion may prescribe.

6.3 Each Grantee shall be required to execute, in addition to the Award Agreement, any and all other documents required by the Company and/or Affiliated Company, whether before or after the grant of the Awards (including without limitation any customary documents and undertakings towards a trustee, if applicable, and/or the tax authorities). Notwithstanding anything to the contrary in this Plan or in any Sub-Plan, no Award shall be deemed granted unless all documents required by the Company and/or any Affiliated Company to be signed by the Grantee prior to or upon the grant of such Award, shall have been duly signed and delivered to the Company or such Affiliated Company.

- 6.4 Unless and until an Award shall have vested in the manner set forth below, and, if applicable, have been exercised in the manner set forth below, the Grantee will have no right to receive Exercised Shares and the Award will represent an unsecured obligation.
7. **Terms of Options**
The Administrator at its sole and absolute discretion may decide to grant Options under the Plan. Unless otherwise determined by the Administrator and provided accordingly in the applicable Award Agreement, an Award Agreement for the grant of Options shall set forth, by appropriate language, the number of Options granted thereunder and the substance of all of the following provisions:
- 7.1 **Exercise Price.** The Exercise Price for each Grantee shall be as determined by the Administrator and specified in the applicable Award Agreement; provided, however, that unless otherwise determined by the Administrator, the Exercise Price shall be the Fair Market Value of the Shares on the Date of Grant.
- 7.2 **Vesting.** Unless otherwise determined by the Administrator with respect to any specific Grantee and/or to any specific grant and provided accordingly in the applicable Award Agreement, the Options shall vest (become exercisable) according to the following four-year vesting schedule:

Period of Grantee's Continuous Service from the Start Date:	Portion of Total Number of Options that becomes Vested and Exercisable
Upon the completion of a full twelve (12) months of continuous Service	25%
Upon the completion of an additional full twelve (12) months of continuous Service (i.e. 24 months from the Start Date)	25%
Upon the lapse of each full additional month of the Grantee's continuous Service thereafter, until all the Options are vested (i.e. 100% of the grant will be vested after 4 years)	1/48

The Administrator shall be entitled, but not obliged, at its sole discretion, to accelerate, in whole or in part, the vesting schedule of any Option, including, without limitation, in connection with a Corporate Transaction.

Without derogating from the generality of the foregoing, the Administrator shall be entitled, at its sole discretion, unless specifically required otherwise under applicable Mandatory Law, to accelerate, in whole or in part, the vesting schedule of any Option granted to an Office Holder of the Company, including, without limitation, in connection with a Corporate Transaction, under a Double Trigger mechanism.

- 7.3 **Exercise Period.** Unless expired earlier pursuant to either Section 7.6 or Section 15 below, unexercised Options shall expire and terminate and become null and void upon the lapse of seven (7) years from the Date of Grant (the “**Expiration Date**”). Each Option shall be exercisable from the date upon which it becomes vested until the Expiration Date of such Option (the “**Exercise Period**”).
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7.4 Exercise Notice and Payment. Vested Options may be exercised at one time or from time to time during the Exercise Period, by giving an Exercise Notice to the Company, at its principal office, in accordance with the following terms, or such other procedures as shall be determined from time to time by the Administrator and notified in writing to the Grantees:

- (a) The Exercise Notice must be signed by the Grantee and must be delivered to the Company, prior to the termination of the Options, by certified or registered mail - return receipt requested, with a copy delivered to the Chief Financial Officer (or such other authorized representative) of the Affiliated Company with which the Grantee is employed or engaged, if applicable.
- (b) The Exercise Notice will specify the number of Vested Options being exercised.
- (c) The Exercise Notice will be accompanied by payment in full of the Exercise Price for the exercised Options. Payment will be made by wire transfer to the Company or by another payment instrument as determined by the Administrator or in the Grantee's Award Agreement (such as, by way of example, cashless exercise), provided however, that in case of payment by check, the Options shall not be deemed exercised, and the Company shall not issue the Exercised Shares in respect thereof, until the check shall have been fully and irrevocably honored by the bank on which it was drawn.

7.5 Net Exercise. Notwithstanding the provisions of Section 7.4 above, the Administrator may determine that In lieu of exercising Options for cash, the Grantee may elect to receive Shares equal to the aggregate value of the Options (or the portion thereof being exercised) by written notice of such election to the Company, in which event the Company shall issue to the Grantee, for no additional consideration, that number of Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

Where

X = The number of Shares to be issued to the Grantee.

Y = The number of Vested Options that the Grantee wishes to exercise.

A = The Fair Market Value of one (1) Share (on the date of such calculation).

B = The Exercise Price.

7.6 The Company shall not be required to issue fractional shares upon the exercise of the Options. If any fractional Share would be deliverable upon exercise, such fraction shall be rounded up one-half or less, or otherwise rounded down, to the nearest whole number.

7.7 Termination of Options

- (a) Notwithstanding anything to the contrary, any Option granted in favor of any Grantee but not exercised by such Grantee within the Exercise Period and in strict accordance with the terms of the Plan, any applicable Sub-Plan and the applicable Award Agreement, shall, upon the lapse of the Exercise Period, immediately expire and terminate and become null and void.
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- (b) Upon the termination of a Grantee's Service, for any reason whatsoever, any Options granted in favor of such Grantee which are not Vested Options, shall immediately expire and terminate and become null and void.
 - (c) Additionally, in the event of the termination of a Grantee's Service for Cause all of such Grantee's Vested Options shall also, upon such termination for Cause, immediately expire and terminate and become null and void.
 - (d) Unless otherwise determined by the Administrator, following termination of Grantee's Service other than for Cause, the Expiration Date of such Grantee's Vested Options shall be deemed the earlier of: **(a)** the Expiration Date of such Vested Options as was in effect immediately prior to such termination; or **(b)** three (3) calendar months following the date of such termination or, if such termination is the result of death or Disability of the Grantee, twelve (12) calendar months from the date of such termination.
8. **Restricted Share Units**
The Administrator at its sole and absolute discretion may decide to grant under the Plan Restricted Share Units. Unless otherwise determined by the Administrator and provided accordingly in the applicable Award Agreement, an Award Agreement for the grant of Restricted Share Units shall set forth, by appropriate language, the number of Restricted Share Units granted thereunder and the substance of all of the following provisions:
- 8.1 **Purchase Price.** The purchase price for each RSU shall be no more than the underlying Share's nominal value. For the removal of any doubt, the Administrator is authorized to determine that the purchase price of an RSU is to be \$0.00 (zero).
- 8.2 **Other terms.** Unless otherwise determined by the Administrator with respect to any specific Grantee and/or to any specific grant and provided accordingly in the applicable Award Agreement, all other terms and conditions of the Plan applicable to Options, including without limitation, with respect to vesting, shall apply to RSUs, *mutatis mutandis*.
- 8.3 Upon vesting of a RSU, the Company shall issue to the Grantee on such vesting date one (1) Share (and/or any other new, substituted or additional securities or other property pursuant to an adjustment described in Section 15) for each RSU then becoming vested against payment by the Grantee of the nominal value of such shares and subject to the withholding of applicable taxes, if any. If permitted by the Administrator, the Grantee may elect, consistent with the requirements of any applicable Law, to defer receipt of all or any portion of the Shares or other property otherwise issuable to the Grantee pursuant to this Section, and such deferred issuance date(s) and amount(s) elected by the Grantee shall be set forth in the Award Agreement. Notwithstanding the foregoing, the Administrator, in its discretion, may provide for settlement of any RSU by payment to the Grantee in cash of an amount equal to the Fair Market Value on the payment date of Shares or other property otherwise issuable to the Grantee pursuant to this Section. Until the grant of RSUs is settled, the number of such RSUs shall be subject to adjustment pursuant to the terms in Section 15 hereto.
- 8.4 The Company shall not be required to issue fractional shares upon the vesting of the RSUs. If any fractional Share would be deliverable upon vesting, such fraction shall be rounded up one-half or less, or otherwise rounded down, to the nearest whole number.
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- 8.5 Upon the termination of a Grantee's Service, for any reason whatsoever, any RSUs granted in favor of such Grantee which are not Vested RSUs, shall immediately expire and terminate and become null and void.
9. **Restricted Shares**
The Administrator at its sole and absolute discretion may decide to grant under the Plan Restricted Shares. Unless otherwise determined by the Administrator and provided accordingly in the applicable Award Agreement, an Award Agreement for the grant of Restricted Shares shall set forth, by appropriate language, the number of Restricted Shares granted thereunder and the substance of all of the following provisions:
- 9.1 **Purchase Price.** The purchase price for each Restricted Share shall be as determined by the Administrator and specified in the applicable Award Agreement; provided, however, that unless otherwise determined by the Administrator, the purchase price shall be no more than the underlying Share's nominal value. For the removal of any doubt, the Administrator is authorized to determine that the purchase price of a Restricted Share is to be \$0.00 (zero).
- 9.2 **Other terms.** Unless otherwise determined by the Administrator with respect to any specific Grantee and/or to any specific grant and provided accordingly in the applicable Award Agreement, all other terms and conditions of the Plan applicable to Options, including without limitation, with respect to vesting, shall apply to Restricted Shares, *mutatis mutandis*.
- 9.3 **Restrictions.** Restricted Shares may not be sold, assigned, transferred, pledged or otherwise disposed of, except by will or the laws of descent and distribution, for such period as the Administrator shall determine from the date on which the Award is granted (the "**Restricted Period**"). The Administrator may also impose such additional or alternative restrictions and conditions on the Restricted Shares, as it deems appropriate, including the satisfaction of performance criteria. Such performance criteria may include, but are not limited to, sales, earnings before interest and taxes, return on investment, earnings per share, any combination of the foregoing or rate of growth of any of the foregoing, as determined by the Administrator. Certificates for shares issued pursuant to Restricted Share Awards shall bear an appropriate legend referring to such restrictions, and any attempt to dispose of any such shares in contravention of such restrictions shall be null and void and without effect. Such certificates may, if so determined by the Administrator, be held in escrow by an escrow agent appointed by the Administrator, or by a trustee. In determining the Restricted Period of an Award the Administrator may provide that the foregoing restrictions shall lapse with respect to specified percentages of the awarded Restricted Shares pursuant to any conditions as further determined by the Administrator (such as continuous service of the Grantee, performance criteria, etc.)
- 9.4 **Voting Rights; Dividends and Distributions.** Except as provided in this Section and any Award Agreement, during the Restricted Period, the Grantee shall have all of the rights of a shareholder of the Company holding Shares, including the right to vote such Shares and to receive all dividends and other distributions paid with respect to such Shares. However, in the event of a dividend or distribution paid in Shares or other property or any other adjustment made upon a change in the capital structure of the Company as described in Section 15, any and all new, substituted or additional securities or other property (other than normal cash dividends) to which the Grantee is entitled by reason of the Grantee's award of Restricted Shares shall be immediately subject to the same terms and conditions as the Shares subject to the award of Restricted Shares with respect to which such dividends or distributions were paid or adjustments were made.
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- 9.5 **Forfeiture.** Subject to such exceptions as may be determined by the Administrator, if the Grantee's continuous employment with the Company or any Affiliated Company shall terminate for any reason prior to the expiration of the vesting date or Restricted Period of an Award or prior to the payment in full of the purchase price of any Restricted Shares with respect to which the vesting date or Restricted period has expired, any shares remaining subject to vesting or restrictions or with respect to which the purchase price has not been paid in full shall thereupon be forfeited and shall be deemed transferred to and required by, or cancelled by, as the case may be, the Company or any Affiliated Company at no cost to the Company or the Affiliated Company, subject to all Applicable Laws. Upon forfeiture of Restricted Shares the Grantee shall have no further rights with respect to such Restricted Shares. The Company shall have the right to assign at any time any repurchase right it may have, whether or not such right is then exercisable, to one or more persons as may be selected by the Company.
- 10. Performance Based Awards**
- 10.1 Subject to the sole and absolute discretion and determination of the Administrator, the Administrator may decide to grant Awards under the Plan, the exercise or vesting of which, as applicable, shall be conditional upon the performance of the Company and/or an Affiliated Company and/or a division or other business unit of the Company or of an Affiliated Company and/or upon the performance of the Grantee, over such period and measured against such objective criteria as shall be determined by the Administrator and detailed in the Award Agreement ("**Performance Based Award(s)**"). In granting each Performance Based Award, the Administrator shall establish in writing the applicable performance period ("**Performance Period**"), performance formula ("**Performance Formula**") and one or more performance goals ("**Performance Goal(s)**") which, when measured at the end of the Performance Period, shall determine on the basis of said Performance Formula the extent to which the Performance Based Award has vested and/or become exercisable (collectively, the "**Performance Conditions**"). It is clarified, that Performance Conditions may be determined for an Award either in addition to, or in substitution for, a Vesting Period.
- 10.2 After a Performance Based Award has been granted, the Administrator may, in appropriate circumstances and subject to any other approval required in order to comply with Mandatory Law (for example, shareholders' approval), amend any Performance Condition, at its sole and absolute discretion. Without derogating from the above, if the Administrator determines that a change in the business, operations, corporate structure or capital structure of the Company or the manner in which the Company or an Affiliated Company conducts its business, or other events or circumstances render a Performance Condition to be unsuitable, the Administrator may modify such Performance Condition in whole or in part, as the Administrator deems appropriate. If a Grantee is promoted, demoted or transferred to a different business unit or function during a Performance Period, the Administrator may determine that the Performance Condition or Performance Period are no longer appropriate and may: (i) adjust, change or eliminate the Performance Condition or the applicable Performance Period as it deems appropriate to make such conditions and period comparable to the initial conditions and period; or (ii) make a cash payment to the Grantee in an amount determined by the Administrator.
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- 10.3 Performance Conditions shall not be automatically waived merely due to an event of (i) a Corporate Transaction; (ii) a Sale; or (iii) any other adjustment under Section 15 below.
- 10.4 **Measurement of Performance Goals.** Performance Goals shall be established by the Administrator on the basis of targets to be attained with respect to one or more measures of business or financial performance that shall have the same meanings as used in the Company's financial statements, or, if such terms are not used in the Company's financial statements, they shall have the meaning applied pursuant to generally accepted accounting principles, or as used generally in the Company's industry ("**Performance Measures**"). For purposes of the Plan, the Performance Measures applicable to a Performance Based Award shall be calculated in accordance with generally accepted accounting principles, excluding the effect (whether positive or negative) of any change in accounting standards or any extraordinary, unusual or nonrecurring item, as determined by the Administrator, occurring after the establishment of the Performance Goals applicable to the Performance Based Award including by way of example but without limitation the following: (a) asset write-downs or impairment charges; (b) litigation or claim judgments or settlements; (c) the effect of changes in tax laws, accounting principles or other laws or provisions affecting reported results; (d) accruals for reorganization and restructuring programs; (e) acquisitions or divestitures; and (f) foreign exchange gains and losses. Each such adjustment, if any, shall be made solely for the purpose of providing a consistent basis from period to period for the calculation of Performance Measures in order to prevent the dilution or enlargement of the Grantee's rights with respect to a Performance Based Award. Performance Measures may be one or more of the following, as determined by the Administrator: revenue; sales; expenses; operating income; gross margin; operating margin; earnings before any one or more of: share-based compensation expense, interest, taxes, depreciation and amortization; pre-tax profit; net operating income; net income; economic value added; free cash flow; operating cash flow; share price; earnings per share; return on shareholder equity; return on capital; return on assets; return on investment; employee satisfaction; employee retention; balance of cash, cash equivalents and marketable securities; market share; customer satisfaction; product development; research and development expenses; completion of an identified special project; completion of a joint venture or other Corporate Transaction and any other performance goals as determined by the Administrator.
- 10.5 **Term of Performance Based Awards.** Unless otherwise determined by the Administrator, anything herein to the contrary notwithstanding, and without derogating from the generality of the above, if any Performance Based Options granted have not been exercised and the Shares subject thereto not paid for within seven (7) years after the Date of Grant, such Performance Based Awards and the right to acquire such Shares shall terminate, all interests and rights of the Grantee in and to the same shall *ipso facto* expire, and the Shares subject to such Performance Based Awards shall again be available for grant under the Plan, any sub-plans of the Plan, as provided for in Section 5 herein.
- 10.6 All other terms and conditions of the Plan applicable to Awards, shall apply to Performance Based Awards, *mutatis mutandis*.
11. **Conditions of Issuance of Share**
- 11.1 No Options shall be deemed exercised nor shall any Share be issued thereunder or in connection with any other Award, until the Company has been provided with confirmation by the applicable tax authorities or is otherwise under a tax arrangement, which either: **(a)** waives or defers the tax withholding obligation with respect to such exercise and issuance; or **(b)** confirms receipt of the payment of all the tax due with respect to such exercise; or **(c)** confirms the conclusion of another arrangement with the Grantee regarding the tax amounts, if any, that are to be withheld by the Company or any Affiliated Company under Law with respect to such Award, and which arrangement is satisfactory to the Company. If such confirmations/exemptions/arrangements are not available under the tax jurisdictions of the Grantee, the Company shall be entitled to require as a condition of issuance that the Grantee remit an amount sufficient to satisfy all federal, state and other governmental withholding tax requirements related thereto. A determination of the Company's counsel that a withholding tax is required in connection with the Awards shall be conclusive for the purposes of this requirement condition.
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- 11.2 Furthermore, notwithstanding any other provision of this Plan, the Company shall have no obligation to issue or deliver Shares under the Plan unless the exercise of the Awards and the issuance and delivery of the underlying Shares comply with, and do not result in a breach of, all applicable Laws, to the satisfaction of the Company in its sole discretion, and have received, if deemed desirable by the Company, the approval of legal counsel for the Company with respect to such compliance. The Company may further require the Grantee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with applicable Laws.
12. **Transferability**
- 12.1 The Awards are not publicly traded.
- 12.2 Without derogating from the above, other than by will or Laws of descent, neither the Awards nor any of the rights in connection therewith shall be assignable, transferable, made subject to attachment, lien or encumbrance of any kind, and the Grantee shall not grant with respect thereto any power of attorney or transfer deed, whether valid immediately or in the future.
- 12.3 Following the issuance of the Exercised Shares by virtue of the Vested Options or, when applicable, following the Restricted Period (with respect to the Restricted Shares), the Exercised Shares shall be transferable; provided, however, that the transfer of Exercised Shares by the Grantee may be subject to applicable securities regulations, lock-up periods, market stand-off provisions, and such other conditions and restrictions as may be included in the Company's Articles of Association, the Plan, any applicable Sub-Plan, the applicable Award Agreement, and/or any conditions and restrictions included in the Company's Insider Trade Policy, or similar document, if any, all as determined by the Administrator in its sole discretion. Upon request by the Company, the Grantee shall execute any agreement or document evidencing such transfer restrictions prior to the receipt of Exercised Shares hereunder.
- 12.4 No transfer of an Exercised Share or an Award by the Grantee by will or by the Laws of descent shall be effective against the Company, unless and until: **(a)** the Company shall have been furnished with written notice thereof, accompanied by an authenticated copy of probate of a will together with the will or inheritance order and/or such other evidence as the Administrator may deem necessary to establish the validity of the transfer; and **(b)** the contemplated transferee(s) shall have confirmed to the Company in writing its acceptance of the terms and conditions of the Plan, any applicable Sub-Plan and Award Agreement, with respect to such Share or Options being transferred, to the satisfaction of the Administrator.
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13. **Rights as Shareholder**

13.1 It is hereby clarified that a Grantee shall not, have any of the rights or privileges of a shareholder, including without limitation, a right to vote or receive dividend, with respect to the Shares underlying the Awards (except for Restricted Shares), until the Awards have been exercised or vested, as applicable, all restrictions applicable to any Shares had been removed, and the Exercised Shares are issued in the Grantee's name.

13.2 Cash dividends paid or distributed, if any, with respect to the Exercised or Restricted Shares shall be remitted directly to the Grantee who is entitled to the Exercised or Restricted Shares for which the dividends are being paid or distributed, subject to any applicable taxation on such distribution of dividend, and the withholding thereof.

13.3 All bonus shares to be issued by the Company, if any, with regard to the Exercised or Restricted Shares held by a trustee, if any, shall be registered in the name of such trustee and all provisions applying to such Exercised Shares, shall apply to the bonus shares issued by virtue thereof, *mutatis mutandis*.

14. **Liquidation**

Unless otherwise provided by the Administrator, in the event of the proposed dissolution or liquidation of the Company, all outstanding Awards will terminate immediately prior to the consummation of such proposed action. In such case, the Administrator may declare that any Award shall terminate as of a date fixed by the Board and give each Grantee the right to exercise his Award or have it vested, including Award that would not otherwise vest or be exercisable.

15. **Adjustments**

15.1 The number of Shares covered by outstanding Awards, the number of Shares to which each outstanding Award is exercisable (in case of Options), together with those Shares otherwise reserved for the purposes of this Plan, shall be proportionately adjusted for any increase or decrease in the number of Shares resulting from a reorganization of the share capital of the Company by a share split, reverse share split, combination or reclassification of the shares, as well as for a distribution of bonus shares, in the same manner as if the Grantee held Shares.

Furthermore, in the event that the Company shall distribute cash or dividend in kind, the Administrator, at its sole and absolute discretion, may resolve either: *(i)* that the number of Shares underlying each outstanding Award, together with those Shares otherwise reserved for the purposes of this Plan, shall be proportionately adjusted, such that the total value of the Shares underlying each Award immediately following such distribution shall be increased, and shall equal the value of one Share, immediately prior to the distribution of such cash or other similar dividend. The calculation of said change in the value of the Shares shall correspond to the reduction in the price of a Share as a result of such distribution as recorded by stock exchange or electronic securities trading system (e.g., if the Company distributes a 2\$ per share cash or other similar dividend at a time when the Company's share price is \$5.5 per share, and as a result of such distribution, the share price is reduced to \$3.5 per share, then the number of shares underlying each Award shall be 1.57 instead of 1); or *(ii)* that in lieu of the abovementioned adjustment, the amount or kind of dividend that would have been distributed to the Grantee with respect to the Shares underlying each outstanding Award, will be distributed to the Grantee together with the Exercised Shares (to the extent that such Awards vest and, if applicable, exercised), in which case the Grantee's rights to such dividend shall be solely that of an unsecured general creditor of the Company. The Administrator shall be entitled to make all necessary arrangements to enable such distribution, until such time when the Grantee is entitled to exercise the Awards in accordance with the terms of the Plan.

Such adjustments shall be made by the Administrator, whose determination in this matter shall be final, binding and conclusive. No fractional Shares will be issued.

All provisions applying to the Exercised or Restricted Shares shall apply to all Shares received as a result of an adjustment as described above.

15.2 Corporate Transaction.

In the event of a Corporate Transaction, immediately prior to the effective date of such Corporate Transaction, each Award may, among other things, at the sole and absolute discretion of the Board, either:

- (a) Be substituted for a successor entity Award such that the Grantee may exercise the successor entity Award or have it become vested, as the case may be, for such number and class of securities of the successor entity which would have been issuable to the Grantee in consummation of such Corporate Transaction, had the Award vested or been exercised (as applicable), immediately prior to the effective date of such Corporate Transaction, given the exchange ratio or consideration paid in the Corporate Transaction, the vesting schedule and Performance Conditions (if any) of the Awards and such other terms and factors that the Administrator determines to be relevant for purposes of calculating the number of successor entity Awards granted to each Grantee; or
- (b) Be assumed by any successor entity such that the Grantee may exercise the Award or have his/her Award vest (as applicable), for such number and class of securities of the successor entity which would have been issuable to the Grantee in consummation of such Corporate Transaction, had the Award vested or been exercised immediately prior to the effective date of such Corporate Transaction, given the exchange ratio or consideration paid in the Corporate Transaction, the vesting schedule and Performance Conditions (if any) of the Awards and such other terms and factors that the Administrator determines to be relevant for this purpose.

In the event of a clause (a) or clause (b) action, appropriate adjustments shall be made to the Exercise Price per Share to reflect such action.

- (c) Determine that the Awards shall be cashed out for a consideration equal to the difference between the price per share received by the shareholders of the Company in the Corporate Transaction and the Exercise Price or nominal value, as the case may be, of such Award.
 - (d) Immediately following the consummation of the Corporate Transaction and subject to the Administrator exercising one of the alternatives under sub-Section (a) or (b) above, all outstanding Awards shall terminate and cease to be outstanding, except to the extent assumed by a successor entity.
 - (e) Notwithstanding the foregoing, and without derogating from the power of the Board or Administrator pursuant to the provisions of the Plan, the Board shall have full authority and sole discretion to determine that any of the provisions of Sections 15.2(a) or 15.2(b) above shall apply in the event of a Corporate Transaction in which the consideration received by the shareholders of the Company is not solely comprised of securities of a successor entity, or in which such consideration is solely cash or assets other than securities of a successor entity.
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15.3 Sale.

Subject to any provision in the Articles of Association of the Company and to the Board's sole and absolute discretion, in the event of a Sale, each Grantee shall be obligated to participate in the Sale and sell his or her Shares and/or Awards in the Company, provided, however, that each such Share or Award shall be sold at a price equal to that of any other Ordinary Share sold under the Sale (and, unless determined otherwise by the Board, less the applicable Exercise Price), while accounting for changes in such price due to the respective terms of any such Award, and subject to the absolute discretion of the Board.

For purposes of a Sale, whether "all or substantially all of the issued and outstanding share capital of the Company is to be sold", shall be finally and conclusively determined by the Board in its absolute discretion.

16. Cessation of Public Trade of the Company's Shares

It is clarified that under certain circumstances, the Company may cease to exist as a public company and the Grantee is not relying on the fact that the Company is currently publicly traded.

In the event that the Company shall resolve to cancel the listing of its shares for trade or in the event that the Company's securities shall no longer be publicly traded, for any reason whatsoever, including in the event of a full purchase offer, the Administrator may determine, at its sole discretion, the method in which the Company shall engage with respect to unvested Awards, including an acceleration of the vesting schedule of such Awards. Additionally, the Administrator shall be entitled to determine, at its sole discretion, the rights lying under the Vested Options.

It is clarified that in any event, the Company shall not indemnify and shall not be required to indemnify the Grantees with respect to the results of the above actions, even if such action shall result in a change in the Awards' original tax track, including an increase of the Grantee's tax liability with respect to the Awards.

It is clarified that in the event of a full purchase offer, the Grantee that has exercised his or her Awards to Shares as aforesaid, shall be obligated to join such a sale and sell all of his/her Shares in the Company, all under the same terms under which all other shareholders have agreed to sell their shares.

17. No Interference

Neither the Plan nor any applicable Sub-Plan or Award Agreement shall affect, in any way, the rights or powers of the Company or its shareholders to make or to authorize any sale, transfer or change whatsoever in all or any part of the Company's assets, obligations or business, or any other business, commercial or corporate act or proceeding, whether of a similar character or otherwise; any adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or business; any merger or consolidation of the Company; any issue of bonds, debentures, or shares; or the dissolution or liquidation of the Company; and none of the above acts or authorizations shall entitle the Grantee to any right or remedy, including without limitation any right of compensation for any dilution resulting from any issuance of any shares or of any other securities in the Company to any person or entity whatsoever.

18. **No Employment/Engagement/Continuance of Service Obligations**

Nothing in the Plan, in any applicable Sub-Plan or Award Agreements, or in any Award granted hereunder shall be construed as guaranteeing the Grantee's continuous employment, engagement or service with the Company or any Affiliated Company, and no obligation of the Company or any Affiliated Company as to the length of the Grantee's employment, engagement or service or as to any other term of employment, engagement or service shall be implied by the same. The Company and its Affiliated Companies reserve the right to terminate the employment, engagement or service of any Grantee pursuant to such Grantee's terms of employment, engagement or service and any law.

19. **No Representation**

The Company does not and shall not, through this Plan, any applicable Sub-Plan or the applicable Award Agreement, make any representation towards any Grantee with respect to the Company, its business, its value or either its shares in general or the Exercised Shares in particular.

Each Grantee, upon entering into the applicable Award Agreement, shall represent and warrant toward the Company that his/her consent to the grant of the Awards issued in his/her favor and the exercise (if so exercised) thereof, neither is nor shall be made, in any respect, upon the basis of any representation or warranty made by the Company or by any of its directors, officers, shareholders or employees, and is and shall be made based only upon his/her examination and expectations of the Company, on an "as is" basis. Each Grantee shall waive any claim whatsoever of "non-conformity" of any kind, and any other cause of action or claim of any kind with respect to the Awards and/or their underlying Shares.

20. **Tax Consequences**

20.1 Any and all tax and/or other mandatory payment consequences arising from the grant or exercise of any Award, the payment for or the transfer of the Exercised Shares to the Grantee, the sale of the Exercised Shares by the Grantee, or from any other event or act in connection therewith (including without limitation, in the event that the Awards do not qualify under the tax classification/tax track in which they were intended) (whether of the Company, any Affiliated Company, a trustee, if applicable, or the Grantee), shall be borne solely by the Grantee.

20.2 The Company, any Affiliated Company and the trustee, if applicable, may each withhold (including at source), deduct and/or set-off, from any payment made to the Grantee, the amount of the tax and/or other mandatory payment the withholding of which is required with respect to the Awards and/or the Exercised Shares under any applicable Law. The Company or an Affiliated Company may require the Grantee, through payroll withholding, cash payment or otherwise, to make adequate provision for any such tax withholding obligations of the Company, Affiliated Company or a trustee, if applicable, arising in connection with the Awards or the Exercised Shares. Without derogating from the aforesaid, each Grantee shall provide the Company and/or any applicable Affiliated Company with any executed documents, certificates and/or forms that may be required from time to time by the Company or such Affiliated Company in order to determine and/or establish the tax liability of such Grantee.

21. **Non-Exclusivity of the Plan**

The adoption by the Board of this Plan and any Sub-Plans shall not be construed as amending, modifying or rescinding any previously approved incentive arrangements, or as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including without limitation the grant of Shares and/or options for shares in the Company otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

22. **Governing Law and Government Regulations**

This Plan and all instruments issued thereunder or in connection therewith, shall be governed by, and interpreted in accordance with, the laws of the State of Israel. Further, this Plan, the grant and exercise of Awards hereunder, and the obligation of the Company to deliver Shares under such Awards, shall be subject to all applicable laws, rules and regulations, whether of the State of Israel or of the United States or any other state having jurisdiction over the Company and the Grantee, including the registration of the shares under the United States Securities Act of 1933, and to such approvals by any governmental agencies or national securities exchanges as may be required.

ANNEX A

Capitalized Terms used in the Camtek Ltd. 2018 Share Incentive Plan, shall have the meanings set forth below:

- 1.1 **“Administrator”** – means (i) the Board; or (ii) the Company’s Compensation Committee or a committee of the Board appointed by the Board for the purpose of the administration of the Plan, if appointed, to the extent acting in accordance with specific authorization and guidelines provided by the Board for such purpose and subject to any restriction under applicable law.
 - 1.2 **“Affiliated Company”** – means any present or future entity **(a)** which holds a controlling interest in the Company; **(b)** in which the Company holds a controlling interest; **(c)** in which a controlling interest is held by another entity, who also holds a controlling interest in the Company; or **(d)** which has been designated an “Affiliated Company” by resolution of the Board.
 - 1.3 **“Award”** – means any equity related award, including any type of Option and/or Restricted Share and/or Restricted Share Unit and/or any other Share-based award and/or other right or benefit, granted to a Grantee under the Plan, including any equity related award that is Performance Based Award.
 - 1.4 **“Award Agreement”** – with respect to any Grantee, means a written agreement or other written instrument, executed by and between the Company and the Grantee, which shall set forth the terms and conditions with respect to the Awards. The Award Agreement will be in such form approved by the Administrator, which may be a general form or a specific form with respect to a certain Grantee.
 - 1.5 **“Board”** – means the Board of Directors of the Company.
 - 1.6 **“Cause”** – means **(a)** the conviction of the Grantee for any felony involving moral turpitude or affecting the Company or any Affiliated Company; **(b)** the embezzlement of funds of the Company or any Affiliated Company; **(c)** any breach of the Grantee’s fiduciary duties or duties of care towards the Company or any Affiliated Company (including without limitation any disclosure of confidential information of the Company or any Affiliated Company or any breach of a non-competition undertaking); **(d)** any conduct in bad faith reasonably determined by the Board to be materially detrimental to the Company or, with respect to any Affiliated Company, reasonably determined by the Board of Directors of such Affiliated Company to be materially detrimental to either the Company or such Affiliated Company; or **(e)** any other event classified under any applicable agreement between the Grantee and the Company or the Affiliated Company, as applicable, as a “Cause” for termination or by other language of similar substance.
 - 1.7 **“Companies Law”** – means the Israeli Companies Law, 5759 – 1999, as amended from time to time, and the rules and regulations promulgated thereunder.
 - 1.8 **“Company”** – means Camtek Ltd., a company organized under the laws of the State of Israel.
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- 1.9 **“Corporate Transaction”** – means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:
- (i) a sale or other disposition of all or substantially all, as determined by the Board in its discretion, of the consolidated assets of the Company and its subsidiaries;
 - (ii) a sale or other disposition of at least fifty percent (50%) of the outstanding securities of the Company;
 - (iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or
 - (iv) a merger, consolidation or reorganization following which the Company is the surviving corporation but the Ordinary Shares of the Company outstanding immediately preceding the merger, consolidation or reorganization are converted or exchanged by virtue of the merger, consolidation or reorganization into other property, whether in the form of securities, cash or otherwise.
- 1.10 **“Date of Grant”** – means the date determined by the Administrator to be the effective date of the grant of Awards to a Grantee, or, if the Administrator has not determined such effective date, the date of the resolution of the Administrator approving the grant of such Awards. Provided, however, that the Date of Grant shall not occur prior to the date on which the Company has obtained all approvals required in connection with the grant of such Awards, including without limitation, where applicable, an approval by the applicable stock exchange with respect to the listing of the Exercised Share for trading at such a stock exchange.
- 1.11 **“Disability”** – means the inability to engage in any substantial gainful occupation for which the Grantee is suited by education, training or experience, by reason of any medically determinable physical or mental impairment that is expected to result in such person’s death or to continue for a period of six (6) consecutive months or more.
- 1.12 **“Double Trigger”** - means that if following the closing of a Corporate Transaction: (i) the Officer Holder is not offered to continue to be employed by the Company (or the surviving entity following the merger) in a comparable or more senior functions, duties or responsibilities and/or on comparable or favorable terms; or (ii) within 12 months following the closing of said Corporate Transaction the Office Holder’s employment with the Company (or the surviving entity following merger) is terminated not for Cause (as such term is defined in such Office Holder’s applicable employment agreement); or (iii) within 12 months following the closing of said Corporate Transaction the Company (or the surviving entity following the merger) initiates a demotion (or a notice thereof) in the Office Holder’s functions, duties or responsibilities and/or in the Office Holder’s compensation, then, under such circumstances, the applicable Office Holder shall be entitled to acceleration of the vesting of his Awards.
- 1.13 **“Exercise Notice”** – means a written notice of exercise of an Award, delivered by a Grantee to the Company.
- 1.14 **“Exercise Price”** – means (i) the purchase price per Share subject to an Award; or (ii) the nominal par value per Share to be paid upon the vesting of an Award that does not require exercise by the Grantee, to the extent the Grantee is required to pay such nominal value hereunder, as applicable.
- 1.15 **“Exercised Share”** – means a Share issued upon the exercise of an Award or vesting of an Award, as applicable, or, if applicable, a freely transferable Share issued to a Grantee not resulting from another type of Award.
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- 1.16 **“Fair Market Value”** - for as long as the Company's Shares are traded on NASDAQ, the fair market value shall be equal to the average of the closing prices of one Share of the Company, as quoted on the NASDAQ market, during the 30 consecutive calendar days preceding the Date of Grant.
- 1.17 **“Grantee”** – a person or entity to whom Awards are granted under the Plan.
- 1.18 **“Law”** – means any laws, rules and/or regulations and/or rules, regulations, guidelines and/or requirements of any relevant securities and exchange and/or tax commission and/or authority and/or any relevant stock exchange or quotations systems.
- 1.19 **“Mandatory Law”** – means provisions of Law which may not be contrarily addressed or regulated by the determination and/or consent of the Company and/or other parties.
- “Office Holder”** - includes the chief executive officer, the chief business manager, a vice general manager, deputy general manager or any other person fulfilling any of the foregoing positions (even if such person's title is different), as well as a director or any manager that reports directly to the chief executive officer.
- 1.20 **“Option”** – means an option granted within the framework of this Plan, which imparts the right to purchase one Share.
- 1.21 **“Plan”** – means this Camtek Ltd. 2018 Share Incentive Plan, as may be amended from time to time as set forth herein.
- 1.22 **“Restricted Share”** – means a Share granted within the framework of this Plan that is not fully transferable until certain conditions have been met all pursuant to Section 9 of the Plan.
- 1.23 **“Restricted Share Unit”** or **“RSU”** – means a Restricted Share Unit granted within the framework of this Plan, which imparts the right, subject to the terms of the Plan, to receive one Share all pursuant to Section 8 of the Plan.
- 1.24 **“Sale”** – means the sale of all or substantially all of the issued and outstanding share capital of the Company.
- 1.25 **“Service”** – means a Grantee's employment or engagement by the Company or an Affiliated Company. Service shall be deemed terminated upon the effective date of the termination of the employment/engagement relationship. A Grantee's Service shall not be deemed terminated or interrupted solely as a result of a change in the capacity in which the Grantee renders Service to the Company or an Affiliated Company (i.e., as an employee, officer, director, consultant, etc.); nor shall it be deemed terminated or interrupted due solely to a change in the identity of the specific entity (out of the Company and its Affiliated Companies) to which the Grantee renders such Service, provided that there is no actual interruption or termination of the continuous provision by the Grantee of such Service to any of the Company and its Affiliated Companies. Furthermore, a Grantee's Service with the Company or Affiliated Company shall not be deemed terminated or interrupted as a result of any military leave, sick leave, or other bona fide leave of absence taken by the Grantee and approved by the Company or such Affiliated Company by which the Grantee is employed or engaged, as applicable; provided, however, that if any such leave exceeds ninety (90) days, then on the ninety-first (91st) day of such leave the Grantee's Service shall be deemed to have terminated unless the Grantee's right to return to Service with the Company or such Affiliated Company is secured by statute or contract. Notwithstanding the foregoing, unless otherwise designated by the Company or Affiliated Company, as the case may be, or required by Law, time spent in a leave of absence shall not be treated as time spent providing Service for the purposes of calculating accrued vesting rights under the vesting schedule of the Options. Without derogating from the aforesaid, the Service of a Grantee to an Affiliated Company shall also be deemed terminated in the event that such Affiliated Company for which the Grantee performs Service ceases to fall within the definition of an “Affiliated Company” under this Plan, effective as of the date said Affiliated Company ceases to be such. In all other cases in which any doubt may arise regarding the termination of a Grantee's Service or the effective date of such termination, or the implications of absence from Service on vesting, the Administrator, in its discretion, shall determine whether the Grantee's Service has terminated and the effective date of such termination and the implications, if any, on vesting.
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- 1.26 “**Share**” – means an Ordinary Share of the Company, par value of NIS 0.01 each, to which, subject to the provisions herein, are attached the rights specified in the Company’s Articles of Association, as may be amended from time to time
- 1.27 “**Start Date**” – means the Date of Grant, unless otherwise determined by the Administrator (which determination shall not require shareholder approval unless so required in order to comply with Mandatory Law), and provided accordingly in the applicable Award Agreement.
- 1.28 “**Sub-Plan**” - any supplements or sub-plans to the Plan adopted by the Board, applicable to Grantees employed in a certain country or region or subject to the laws of a certain country or region, as deemed by the Board to be necessary or desirable to comply with the laws of such region or country, or to accommodate the tax policy or custom thereof, which, if and to the extent applicable to any particular Grantee, shall constitute an integral part of the Plan.
- 1.29 “**Vested Award**” – means an Award which the Grantee is entitled to exercise into Exercised Shares in accordance with the provisions of Section 7.2 of the Plan or, if inconsistent with the provisions of Section 7.2 of the Plan, the provisions of the Award Agreement of such Grantee.
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[Shibolet & Co. letterhead]

Tel Aviv, October 22, 2018

Ref: C-59-10

Camtek Ltd.
P.O. Box 631
Migdal Haemek, 10556
Israel

Re: Camtek Ltd. – Registration Statement on Form S-8

Ladies and Gentlemen:

We refer to the registration statement on Form S-8 (the "Registration Statement"), to be filed by Camtek Ltd., an Company organized under the laws of the State of Israel (the "Company"), with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Act"), relating to the registration of 1,500,000 of the Company's Ordinary Shares, nominal value NIS 0.01 each (the "Shares"), authorized for issuance pursuant to the Company's 2018 Share Incentive Plan (the "2018 Plan").

This opinion is being furnished in accordance with the requirements of Item 8 of Form S-8 and Item 601(b)(5)(i) of Regulation S-K.

In our capacity as the Company's Israeli counsel in connection with the registration of the Shares pursuant to the Registration Statement, we have examined copies of the Company's Articles of Association, as amended, the 2018 Plan, protocols of meetings of the board of directors of the Company with respect to the 2018 Plan and other corporate records, instruments and documents we have considered necessary or appropriate for the purpose of this opinion, which were presented to us by the Company, and such matters of Israeli law we have considered necessary or appropriate for the purpose of rendering this opinion. We have assumed that the Company presented to us all such protocols and documents relating to or having any bearing on the 2018 Plan.

In our examination, we have assumed the genuineness of all signatures, the legal capacity of all natural persons, the correctness and completeness of certificates of public officials and the representations set forth therein, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as copies. We have assumed the same to have been properly given and to be accurate and we have assumed the truth of all facts communicated to us by the Company.

Based upon and subject to the foregoing, we are of the opinion that the Shares being registered pursuant to this Registration Statement have been duly and validly authorized for issuance, and if, and when, issued pursuant to the terms and conditions of the 2018 Plan, such Shares will be validly issued, fully paid and nonassessable.

We are members of the Israeli Bar and we are opining herein as to the effect on the subject matter only of the internal laws of the State of Israel, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction.

This opinion letter is rendered as of the date hereof and we disclaim any obligation to advise you of facts, circumstances, events or developments, including, without limitation, in the law, which hereafter may be brought to our attention and which may alter, affect or modify the opinion expressed herein. Our opinion is expressly limited to the matters set forth above and we render no opinion, whether by implication or otherwise, as to any other matters relating to the Company, the 2018 Plan or the Shares.

We consent to the filing of this opinion as an exhibit to the Registration Statement. This consent is not to be construed as an admission that we are a party whose consent is required to be filed with the Registration Statement under Section 7 of the Act or the rules and regulations promulgated thereunder.

Very truly yours,

/s/ Shibolet & Co.

Shibolet & Co.
Advocates & Notary

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Camtek Ltd:

We consent to the use of our report dated March 15, 2018, with respect to the consolidated balance sheets of Camtek Ltd. as of December 31, 2017 and 2016, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the years in the three-year period ended December 31, 2017, and the effectiveness of internal control over financial reporting as of December 31, 2017, incorporated by reference herein.

/s/ Somekh Chaikin
Certified Public Accountants (Israel)
A Member firm of KPMG International

Tel Aviv, Israel
October 22, 2018
